

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2019

Docket No. ACR2019

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-7 OF CHAIRMAN'S INFORMATION REQUEST NO. 5

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 5, issued on January 21, 2020. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

1. Please refer to the FY 2019 targets listed in the *FY 2019 Annual Report* and the *FY 2018 Annual Report to Congress (FY 2018 Annual Report)*.¹ For the Customer Experience Composite Index, the FY 2019 target differs between the *FY 2019 Annual Report* (78.27) and *FY 2018 Annual Report* (80.00). *FY 2019 Annual Report* at 20; *FY 2018 Annual Report* at 17.
 - a. Please specify which number is the FY 2019 target.
 - b. Please explain why the FY 2019 target for the Customer Experience Composite Index differs between the two sources.

RESPONSE:

- a. The FY 2019 Customer Experience Composite Index target is 78.27.
- b. The FY 2019 Customer Experience Composite Index target stated in the *FY 2018 Annual Report* (80.00) was erroneously entered due to a clerical error.

¹ See *FY 2019 Annual Report* at 20; Docket No. ACR2018, *United States Postal Service FY 2018 Annual Report to Congress*, Library Reference USPS-FY18-17, December 28, 2018, at 17 (*FY 2018 Annual Report*).

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

2. Please refer to the FY 2019 targets and results for each performance indicator listed on page 20 of the *FY 2019 Annual Report*.
- a. For each performance indicator, please confirm that the FY 2019 target and result are calculated using the same methodology.
 - b. If not confirmed, for each performance indicator with a FY 2019 target that is not comparable to the FY 2019 result:
 - i. Please explain the methodologies used to calculate the FY 2019 target and result.
 - ii. Please provide a comparable FY 2019 result or explain why providing a comparable result is not feasible.

RESPONSE:

- a. Confirmed, for each performance indicator, the FY 2019 target and results were calculated using the same methodology.
- b. Not applicable.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

3. Please refer to the High-Quality Service performance indicators and results listed on page 20 of the *FY 2019 Annual Report*.
- a. In the *FY 2018 Annual Report*, the Postal Service stated that it will use an internal service performance measurement system to measure progress toward the High-Quality Service performance goal. *FY 2018 Annual Report* at 19. Please explain how the change to an internal service performance measurement system affected the comparability of FY 2019 targets and results as well as the comparability of FY 2016 through FY 2019 results for each High-Quality Service performance indicator.
 - b. For each performance indicator with results that are not comparable across FYs 2016, 2017, 2018, and 2019:
 - i. Please explain the methodologies used to calculate FY 2016 through FY 2019 results.
 - ii. Please provide comparable results for FYs 2016, 2017, 2018, and 2019 using the same methodology. As an alternative, if comparable results cannot be provided, please explain why and explain either (1) how to compare results across these fiscal years or (2) why making this comparison is not feasible.

RESPONSE:

- a. The switch to the Internal Service Performance Measurement (SPM) system has no effect on the comparability of FY 2019 targets and results, because both the FY 2019 targets and the FY 2019 results are based on that same system. Prior to FY 2019, service measurement for domestic Market Dominant products was conducted through a third-party vendor via a network of independent droppers and reporters utilizing seed mail (aka the "legacy" system). The systems used for this reporting were the Intelligent Mail® Accuracy and Performance System (iMAPS) and the External First-Class Measurement System (EXFC). When comparing the service performance scores for FY 2019 to previous fiscal years, it should be noted that the legacy system and internal SPM system use different

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

methodologies, and service performance scores produced by both of these systems are statistically valid, but will not align precisely.

b.

- i. Descriptions of the methodologies used to calculate service performance have been provided by the Postal Service for FY 2016 to FY 2018 in folder USPS-FY18-29, and for FY 2019 in folder USPS-FY19-29.
- ii. The external legacy service performance measurement system used to generate service performance scores for FYs 2016, 2017, and 2018 was retired at end of FY 2018. Thus, data for FY 2019 are not available from the legacy service performance measurement system. The Internal SPM system did not become the officially recognized service performance measurement system of record until the beginning of FY 2019 Quarter 1. As noted in the response to Question 3.b.i. above, folders USPS-FY18-29 and USPS-FY19-29 describe the methodologies used to calculate service performance for FYs 2016-2018, and FY 2019, respectively; these references explain differences between the two measurement systems. As noted in the response to Question 3.a. above, service performance scores produced by both of these systems are statistically valid, but will not align precisely.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

4. Please refer to the FY 2016 through FY 2019 results listed on page 20 of the *FY 2019 Annual Report* for the Point of Sale performance indicator under Excellent Customer Experiences and for the performance indicators listed under the Safe Workplace and Engaged Workforce and Financial Health performance goals.
- a. Please confirm that FY 2016 through FY 2019 results for each performance indicator are expressed using the same methodology.
 - b. If not confirmed, for each performance indicator with results that are not comparable:
 - i. Please explain the methodologies used to calculate results from FY 2016 through FY 2019.
 - ii. Please provide comparable results for FYs 2016, 2017, 2018, and 2019 using the same methodology. As an alternative, if comparable results cannot be provided, please explain why and explain either (1) how to compare results across these fiscal years or (2) why making this comparison is not feasible.

RESPONSE:

- a. Confirmed. Results for the Point of Sale, Total Accident Rate, Engagement Survey Response Rate, Controllable income (Loss), and Deliveries per Total Work Hour, Percent Change performance indicators are expressed using the same methodology from FY 2016 through FY 2019.

Please note that a survey administration change was instituted after FY2016. In FY 2016, Engagement Surveys were mailed by hardcopy only to the address on file for bargaining unit employees. In subsequent years (FY 2017 through FY 2019), added additional response options were added, including hardcopies distributed in the work unit, electronic option via the internal Lite Blue website, and an Outlook invitation to those bargaining unit employees with an Outlook account.
- b. N/A.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

5. Please refer to the FY 2018 and FY 2019 results of the USPS.com and Business Mail Entry Unit performance indicators under Excellent Customer Experiences listed on page 20 of the *FY 2019 Annual Report*.
- a. Please confirm that FY 2018 and FY 2019 results for both performance indicators are expressed using the same methodology.
 - b. If not confirmed, for each performance indicator with results that are not comparable:
 - i. Please explain the methodologies used to calculate FY 2018 and FY 2019 results.
 - ii. Please provide comparable FY 2018 and FY 2019 results using the same methodology. As an alternative, if comparable results cannot be provided, please explain why and explain either (1) how to compare results across these fiscal years or (2) why making this comparison is not feasible.

RESPONSE:

- a. Confirmed. Results for the USPS.com and Business Mail Entry Unit performance indicators are expressed using the same methodology in FY 2018 and FY 2019.
- b. N/A.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

6. Please refer to the library reference containing information on the non-public performance indicators used to measure progress toward the High-Quality Service performance goal.²
- a. Please confirm that the FY 2019 target and result for each non-public performance indicator are calculated using the same methodology.
 - b. If not confirmed, for each non-public performance indicator with a FY 2019 target that is not comparable to the FY 2019 result:
 - i. Please explain the methodologies used to calculate the FY 2019 target and result.
 - ii. Please provide a comparable FY 2019 result or explain why providing a comparable result is not feasible.
 - c. For each non-public performance indicator, please confirm that results from FYs 2016 through FY 2019 are calculated using the same methodology.
 - d. If not confirmed, for each performance indicator with results that are not comparable:
 - i. Please describe the methodologies used to calculate FY 2016 through FY 2019 results.
 - ii. Please provide comparable FY 2016 through FY 2019 results using the same methodology. As an alternative, if comparable results cannot be provided, please explain either (1) how to compare results across these fiscal years or (2) why making this comparison is not feasible.

RESPONSE:

- a. Confirmed.
- b. N/A.
- c. Confirmed.
- d. N/A.

² Library Reference USPS-FY19-NP30, December 27, 2019, file "NONPUBLIC FY19-NP30 Preface.pdf," at 2.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

7. Please describe any FY 2020 changes to performance indicators, targets, or methodologies for calculating targets and results. For each change:
- a. Please provide the rationale for the change.
 - b. Please describe the methodology that will be used to calculate the FY 2020 target and result for the applicable performance indicator.

RESPONSE:

a. Under Excellent Customer Experiences, there is no FY 2020 methodology change for calculating the target or result for the Customer Experience Composite Index performance indicator; in addition, the performance indicator itself has not changed. However, the target for FY 2020 is lower than the FY 2019 target due to changes in the targets of the following components of the index: eCC, usps.com, and BMEU.

There is no FY 2020 methodology change for calculating the target or result for the Enterprise Customer Care (eCC) performance indicator; in addition, the performance indicator itself has not changed. However, the FY 2020 target was reduced in order to align more closely with Postal Service process capabilities, while still providing a stretch target.

There is no FY 2020 methodology change for calculating the target or result for the usps.com performance indicator; in addition, the performance indicator itself has not changed. However, the FY 2019 target was exceeded; therefore, the FY 2020 target was increased to drive continuous improvement.

There is no FY 2020 methodology change for calculating the target or result for the Business Mail Entry Unit (BMEU) performance indicator; in addition, the performance indicator itself has not changed. However, the FY 2019 target was

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5**

exceeded; therefore, the FY 2020 target was increased to drive continuous improvement.

b. N/A.